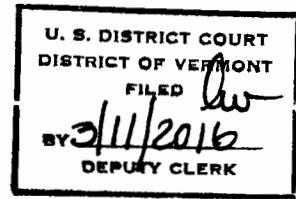


August 5, 2015

National Dairy Farm Milk Marketing Scandal



We currently in this nation have only .8% of the number of licensed dairy producers of 1940. Fast forward to 1980 with 350,000 producers in business – today only 43,000 remain in production. Good managers made it through the '70s and '80s with 80% parity pricing. In 1980, we went to the roller coaster market oriented pricing system thus only 43,000 producers remain in this nation today. **AND STILL FALLING!**

Our government calculates the current average cost of production at \$27.66 in the ~~27~~¹³ dairy producing states. They are currently administering a pay price of less than \$17.00/cwt. Is this a contradiction or an outright sham?

Are we going to continue down this slippery slope until there are only a few of the many people who really want to farm left in production? We need to get realistic about this issue and soon.

Farmers cannot continue in production at a \$10 per hundred weight loss in income. Thus the dwindling number of dairy producers who have had their heritage and livelihood destroyed by unrealistic government price support programs. This seems to me to be unAmerican!

Another government publication calculates cost of producing milk by herd size:

50 cows or less \$50.84/hundred pounds of milk

50 to 100 cows \$40.31/ hundred pounds of milk

100 to 200 cows \$32.95/ hundred pounds of milk

200 to 499 cows \$30.11/hundred pounds of milk

500 to 999 cows \$24.87/hundred pounds of milk

1000 cows or more \$20.27/hundred pounds of milk

Are we going to continue this farce until there are only a handful of producers left in business in the nation????

The US Congress has had two opportunities to rectify this disgrace but the dairy manufacturers (not the producer group) have bought and paid for too many members of our so called representative government. When we talk about discrimination, let us look at what we have done with the current pricing system for dairy producers.

We had an opportunity with the Casey/Spector Bill in 2007. Surplus production would have been manufactured into dairy products and given to the food banks at the expense of the

producers causing the excess production. Base-Excess formula (not a quota) for establishing a fair and equitable price for all producers.

The American consumer would like to support a system that would maintain the remainder of the family farm community and the tradition of family farms where the children learn to work and do their chores take good care of their animals and show them at fairs and other livestock shows with pride.

Another way to address the over-supply would be to eliminate BST and return milk supply to its natural state, a wholesome and nutritious product. Whole milk should be returned to the school lunch and breakfast programs.

Whole milk is not the cause of overweight and obesity. The iPod and computer where only fingers get the exercise is a major component of the overweight problem. You don't see many (any) overweight youngsters on the soccer team. Butterfat is a major component in brain development in growing children and should be in their diet. This has been confirmed by many members of the medical community and nutritional experts in our healthy growth scenario.

Overweight and obesity is cause by the 20 tsp of sugar in a 20 ounce soda and lack of exercise.

Bovine animals were never meant to be supercharged with BST. Milk in its natural state is one of the most nutritious foods available to consumers in this once great nation. Let's stop the destruction of what's left of the family farm community and pay producers what it cost to make the wholesome and nutritious product.

This could be accomplished with a re-blend and pay the smaller producers what it cost to produce the product. We had a re-blend at the expense of all current producers (54cents per hundred weight) to pay for all the milk that was dumped due to over production over and above market needs. Dairy Coops could make this work and they need to work to control over supply on behalf of their farmer (owners) members. The current situation in the dairy farm community is an outrage dairy producers need to become more active in the day to day decisions concerning their fate.

Since the Government (USDA) is involved in this crisis some sensible leadership would be welcomed to really address the problems facing all dairy producers. The current so-called safety net for dairy producers pay is an absolute hoax. MPP (Margin Protection Program) has not saved any farms or producers. If we use the ERS's calculated cost of production to establish the margin, producers would now receive about a \$10/hundred weight of milk check to bring them up to break-even.

Government and the dairy-co-op community have outright failed to protect dairy farmers, some of the hardest working people in America.

At the time of consolidation with MIDAM, DFA represented 26,000 dairy producers. Today that number is down to 13,000 and still falling. What does that say for DFA's management capability on behalf of their Farmer /Owner members?

When I came to Chenango County in November 1976 and bought a dairy farm milking 33 cows to enjoy the good life after working in the real world for 27 years, we had 733 farms shipping milk to market. After the 2009 crash, Chenango stabilized at 160 producers through 2013. In 2015 with the falling milk price, we have lost another 20 producers and more are at risk of failure due to the current farm gate milk price. The current so-called safety net is an absolute failure perpetuated upon the milk producer community by the U. S. Congress and USDA.

Over the years I added on to the barn and grew to milking up to 70 cows. This was done with off-farm income and loans which were all paid in full. Feed cost was not the only out of control expense, due to Ethanol driving up the price of corn, but energy prices and anything made of steel, taxes, insurance, and the daily cost of living went out of control. In 1997, we had a modern milking facility, TMR, and good herd health and quality milk production. We modernized the house with a good portion of my wife's inheritance in 1992.

May God Bless America,
And with grave concern!

Ken Dibbell *Ken*
Mr. Milk
Norwich, NY

US District Court of Vermont

Re: Allen vs. Dairy Farmers of America, Inc. No 5:09-CV-230-CR

9 Guernsey Street
Norwich, New York 13815
(607)226-0731
March 7, 2016

DECLARATION OF KENNETH DIBBELL

Kenneth Dibbell, pursuant to 28 U.S.C. 1746, states as follows

1. I was planning to attend a South New Berlin Coop Director's meeting on or about February 5, 2016, to discuss the current settlement. I was told that this meeting was cancelled and moved to on or about February 6, 2016.
2. Mr. King, General Manager of the South New Berlin Coop called me on or about Friday night, February 5, 2016, to let me know this meeting was also cancelled. Mr. King proceeded to threaten me that the South New Berlin Coop, of which I was a Director for at least 25 years, would personally sue me for jeopardizing their milk market, if I encouraged farmer members to oppose this settlement through my petition, because DMS markets 100% of South New Berlin Coop milk.

I declare under the penalty of perjury that the foregoing is true and correct.

Dated at Norwich, New York this 7th day of March, 2016.



Kenneth Dibbell

US District Court of Vermont

Re: Allen vs. Dairy Farmers of America, Inc. No 5:09-CV-230-CR

9 Guernsey Street
Norwich, New York 13815
(607)226-0731
March 7, 2016

LETTER IN OPPOSITION

I object to this settlement being totally insufficient for the following reasons:

1. In the SouthEast case DFA settled for approximately \$150 million dollars, distributed among roughly 6,000, compared to this NorthEast case where DFA wants to settle for \$50 million dollars among roughly 9,000 farmers.
2. We have learned from the SouthEast case that the settlement provisions failed to provide relief for the SouthEast dairy farmers. These settlement provisions are equally inept at providing any meaningful long lasting relief.
3. The current milk marketing system of pricing works against dairy farmers and is endorsed by the Defendants. This coupled with the Defendants monopoly coercion is not addressed adequately in this settlement.

I plan to attend and speak at the May 13, 2016, Fairness Hearing.

Sincerely,

Ken Dibbell

Ken Dibbell

U.S. CITIZEN

3-8-2016

Mr. Thomas Vilsack
Secretary of Agriculture
United States of America

It is with a heavy heart that I feel compelled to point out to you that you as the head of agriculture in this once great nation have the responsibility to take the lead in addressing the outrageous situation that prevails on our few remaining dairy farms concerning the farm gate pricing of milk.

You have a division , ERS, with a staff of presumably well paid individuals and educated in crunching numbers of cost of production for all 23 dairy producing states, yet another division AMS continues to administer a pay price that is less than half of the price calculated by ERS. This is obviously a severe contradiction. The system has idled though economic strangulation 99.8 percent of the 4.6 million of licensed and inspected dairy producers for the year 1940 ad. There are fewer than 43,000 left in operation in this once great nation . And falling every day.

According to ERS the cost of production does not reduce to \$25 until herd size reaches 500 head at 1,000 head the cost reduces to \$20/cwt. Difficult to stay in business with a \$15 pay price.

My concern is the elimination of the family farm with less than 200 cows. We are going to destroy the livestock show at the county fairs all across this nation, a part of the heritage being destroyed by the current farm gate pricing system.

There is no money to pay for upgrade of facilities and equipment on the few remaining family farms that are hanging by a thread and are failing day by day as we speak. Check the auction ads every week in the local papers! Family farmers work 14 hours a day 6 days a week but only 10 hours on Sunday, maybe.

Many current farms are surviving with off farm income-school bus driving is a favorite income supplement. Farm children are the only kids in our society that learn to work at an early age.

They get up early and do their chores get cleaned up and get on the bus to school. You cannot even get a town kid to shovel snow.

The new current USDA dietary guidelines show little improvement from the previous guidelines. It is time to get butter fat back into our schools, whole milk would be desired. Butter fat is involved in brain development in growing children. A well-known fact in the real world.

Too many of our elected representative officials have failed to do their job. They have failed with few exceptions to represent the “people”. They seem to be good at listening to all the lobbyists with all the

March 9, 2012

United States Congress

Washington, DC

Dear Members of House Agriculture Committee:



ARE YOU LISTENING??

DAIRY HISTORY

In 1940, this nation had 4.66 million inspected and licensed dairy producers. The herd sizes were, 99.1% with less than 30 cows, .7 % had 30 to 49 cows, .2% had 50 to 99 cows.

My grandfather in Stowe Vermont was one of those producers milking 12 cows by lantern light. All during World War II he separated each milking and if I was present I turned the crank on the separator. Pigs got the skim, cream was held till Saturday.

Gramp spent the day the whole day Saturday in the basement of the house (which had electricity) churning probably the best butter you ever ate. It had a little salt in it. A one pound square butter mold filled and with the top pressed on the butter, had a cow head print in one corner and a four leaf clover in one corner, and I can't remember the other two corners!

Monday morning Gramp loaded his 1937 Chevy pick-up with butter, brown eggs, maple syrup in 1 gallon tins (at \$6 per gallon not \$60) and 5 pound cans of maple sugar. Then he drove 11 miles to Morrisville, VT and visited his regular customers. He arrived back at the farm at 4pm with almost everything gone.

Tuesday was Stowe delivery day and at 2pm he would enter the barber shop for his weekly shave (with a straight razor of course) and catch up on the local news.

Fast forward to 1980:

We still had 350,000 dairy producers in 1980 in this nation at 80% parity pricing and today we have 45,000 and falling. Due to the failure of the so-called safety nets administered by our government, price support and buy-out, and MILC none of which prevented farm losses due to economic strangulation. We have not only destroyed the heritage and the livelihood of hundreds of thousands of farmers, but also the owners and employees of the thousands of small businesses supported by the small farm community.

Today we are down to 45,000 dairy producers and still falling. The new so-called safety net Margin Protection Program (MPP) has yet to be activated and appears to be another questionable solution to dairy producer losses. Failure to pay producers anything resembling cost of production as calculated by Economic Research Service (ERS) a division of USDA is a Problem!

Cost of production by herd sizes as calculated by ERS in 2013: 1 to 49 cows \$50.84/cwt, 50 to 99 cows \$40.31/cwt, 100 to 199 cows \$32.95/cwt, 200 to 499 cows \$30.11/cwt, 500 to 999 cows \$24.87, 1000 cows \$20.27.

ERS average calculated cost of milk production in all 23 milk producing states is \$27.36/cwt.

The ag marketing law states that the Secretary of the USDA upon petition will hold a price hearing to establish a fair and stable price for all farms, but he refused.

There is no reason not to pay \$40/cwt on the first million lbs and \$30/cwt on the 2nd million to maintain what is left of the small farm community in rural America. These farmers work 14 hours a day and 7 days a week and should be rewarded for their efforts with a blended pay price on the first two million pounds that meets the cost of production as determined by the ERS. This proposal need not raise milk prices in the store.

With Grave Concern,

Mr. Milk – Ken Dibbell



MR. MILK



Ken Dibbell

9 Guernsey Street
Norwich, NY 13815

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F: (607) 336-6961

Why Don't Consumers See Lower Milk Prices?

To the Editor:

"Milking Poor Families" (editorial, March 21) is ill informed and shortsighted. Three points:

(1) Dairy farmers have seen more than a 25 percent decline in the price they receive for their milk over the last six months. If this trend continues, thousands of family farmers will be driven off the land. Fewer and larger (corporate-owned) farms will prevail, and in the long run the consumer will suffer because milk production will be controlled by a small number of producers who will be able to control the price.

(2) You state that the provision in Senator Patrick J. Leahy's amendment to the emergency appropriations bill "would raise the price of whole milk by as much as 26 cents per gallon." Says who? The retailers and the for-profit processors who are ripping off the consumer and, according to the Government Accounting Office's preliminary assessment, are price gouging. Why is it that farmers have seen a drastic reduction in the price they receive, yet there has been virtually no decrease in the price consumers pay? Why not an editorial on this rip-off?

(3) Lastly, to suggest that backers of emergency, temporary relief for dairy farmers are somehow hostile to children and low-income nutrition programs is insulting and unfounded. Check the lineup in this legislative battle to understand what is truly happening. The proponents of this dairy provision include Senators Leahy, Democrat of Vermont, and James M. Jeffords, Republican of Vermont, and most of the progressive members of the Senate. Leading the opposition were Senators Jesse Helms and Richard G. Lugar, Republicans of North Carolina and Indiana.

Check the record, and you will find out which side has consistently been on the side of children and nutrition programs and which side has supported huge cutbacks in programs that help those who are most vulnerable in our nation.

In the House of Representatives, I

will be proud to support this important legislation as strongly as I can.

BERNARD SANDERS

Member of Congress, Vt., at Large
Washington, March 21, 1991

Fewer Farm Families

To the Editor:

In response to "Milking Poor Families" (editorial, March 21):

Senator Patrick J. Leahy of Vermont was trying to salvage through his emergency legislation the dairy farm families not only of Vermont, but of the whole Northeast. It was an honorable attempt to solve a very serious problem.

The only difference between poor children and poor farm children is that the poor farm children have plenty of milk to drink at a cost of only 82 cents a gallon at today's production cost. They drink a lot of milk (the finest food known to humans), and not much else is in their diet.

New York State has lost 8,000 dairy farms to the system in the last 10



years. By next fall, fewer than 10,000 will remain in the state, which will idle 10,000 more people (farmers and dependents) who would like to continue working and caring for their dairy cows. But that will be impossible because of the cost of production

and the farm price for the product.

Ten years ago we took the word "parity" out of our vocabulary, and it's been all downhill since on Northeast dairy farms. We were able all through the 1980's to improve our efficiencies of operation. We — the 10,000 remaining in New York — have survived the dairy termination program, the herd buyout, but here we are again with too much milk at too low a farm price and are about to flush the system again at the expense of many, many farm families being driven out of dairying.

The cows will not leave, as they will be absorbed by the larger farms, and the excess production will still be there. The environment will suffer further damage as we concentrate large cow numbers over less territory, and the Chesapeake Bay never will get cleaned up. We would be much better off to keep the cows spread over a larger area, continue to improve our farming practices with chemicals and manure management. Through these efforts we can (with cooperation) continue to protect the New York City watershed and even improve its quality environment.

My hat is off to the other 59 senators who supported this legislation, as they realized the seriousness of the crunch at the farm level.

The cost of milk to the consumer need not have risen at all under this program. Store prices are still at a level reflecting last year's \$15 to \$16 farm prices. There is room in the processing and retailing sectors to have absorbed the cost of this program, improved the product through fortification with additional solids, not fats, relieved the government of the surplus problem and, who knows, maybe increased consumption of a very nutritious food product.

I shudder to think that anyone in the United States is being denied a generous portion of milk and milk products. Let's all get together and solve this problem once and for all for the benefit of all.

KEN DIBRELL
South New Berlin, N.Y.
March 22, 1991